

The Effects of Abandonment of Projects in Plateau State Nigeria

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ABSTRACT

Public Project particularly infrastructural projects are intended to provide new products and services to the community and at the same time promote the beauty of the environment however, their abandonment has led to so many negative effects. The study has determined the effects of abandonment of projects in plateau state, Nigeria. Quantitative method of data collection was employed in the study using close ended questionnaire. The data analysis tool that was employed for this study is the relative importance index (R.I.I). The RII was used to analyzed data obtained for the effects of abandonment of projects; the highest value of RII was ranked 1 and so on. Also descriptive statistics was employed to analyze the background of the respondents. It has been discovered from the research that, project abandonment has at least (15) far-reaching effects on national development. Cost overrun which was ranked first (1st) with 91.00% is a very significant effect of project abandonment, when projects are abandoned it leads to increase in the initial cost of the project, the final cost of the project will be exceeded leading to the initial cost of the project as a result of non-completion of projects within the agreed contract period. Other effects of project abandonment include: discouragement of investment is 89.00%, wastage of expended resources 88.00%, affects economic growth 86.00%, leads to unemployment 85.00%, hide out for criminals 83.00%, time overrun 82.00%, disappointment to the prospective users 81.00%, increase risk and project becomes obsolete and affects the aesthetics of the built environment 80.00%, affects quality 79.00% and reduces revenue 79.00%, technological backwardness 78.00% and finally reduces standard of living with 72.00%. It can be inferred that project abandonment has great effect on cost.

KEYWORDS: Effects, Abandonment, Projects, Plateau State, Nigeria

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I. INTRODUCTION

Projects are categorized as abandoned when the various activities that were supposed to be carried out from inception to completion of the projects were not achieved due to some unbearable constraints surrounding the entire construction process. Chan, Scott & Lam (2002) argued that the projects abandonment result from the following; lack of contractors' competencies; lack of the client competencies; lack of understanding of risk and liability assessment; lack of the end users' needs and the end users imposed restrictions on the projects. The abandonment of development projects is the act of discontinuing any activities or maintenance work on such development project within a time frame of the contract agreement and with no intention of returning back to the development (Woka & Benebo, 2014). The causes and effects of these development projects abandonment are not just peculiar to a particular reason rather cut across several reasons and as well as creating a total windling effects on the values of developed properties located close and within the vicinity (Ayodele & Alabi, 2011).

Despite the gravity of the effects of the abandoned projects, there is a lack of research in this area. It has been discovered that existing literature on the subject of effect of abandonment of project is limited to the types of sources such as unpublished thesis, conference papers and particularly journals (Yap, 2013). Public Project particularly infrastructural projects are intended to provide new products and services to the community and at the same time promote the beauty of the environment, but these advantages are underestimated and unattained because of its continuous abandonment (Ayodele & Alabi, 2011). Hughes (2003) opined that the improper understanding and utilization of the basic project managerial principles such as improper focus of the

management by compensating the wrong actions for good and the lack of communication of the project goals that contributes to the projects abandonment. Other impeding factors of project abandonment are prevailing corruption in the country and in every state in the Nation. Several authors who studied corruption have concluded that corruption has negative effects on the growth and project development of any nation. According to Akindele (2013) corrupt practices inherently introduce distortions in the economic system and it has the capacity to impair hard work, diligence and efficiency. It is capable of diverting resources from the societal to private or personal use, thereby the individuals saddled with the responsibilities of executing the projects end up becoming ghost, in essence they disappear on receiving projects fund. They maintain that it subverts honest selection processes and distort prices; whereas Ackerman (1998) reaffirms that corruption weakens institution, hampers investment and retards economic development. Nyerere (1999) observes that corruption is an enemy of progress and development which could be treated as serious crime equivalent to treason. Akindele (2005) argued that corruption in whatever form is inimical to the development of any society. This strengthens the view of Ackerman (1998) who asserted that corruption manifests its direct effect in the form of abandoned projects such as roads not constructed, electrification projects frustrated, pipe borne water not available, industries or factories skeletally working but completely abandoned.

Hughes (2003) argues that it is the improper understanding and utilization of the basic project managerial principles such as improper focus of the management by rewarding the wrong actions for good and the lack of communication of the project goals that contributes to the situation. While Chan et.al., (2002) argued that the project abandonment result from the following: a lack of the project team promises; lack of contractor's competencies; a lack of understanding of risk and liability assessments; a lack of the client's competencies; a lack of the end users' needs; and the end users imposed restrictions on the project development. Once a project is abandoned it has negative effects on national development because it involves time and resources, aside of these factors it exposes people to unemployment, reduces government revenue and also the aesthetic characteristics of the environment which is anticipated on completion of projects. Projects such as hospital, institutional buildings, commercial buildings and so many others. Infrastructures such as roads can also affect transportation system thereby affecting the economy, when projects are abandoned the expected returns are lost and the already capital outlay is apparently wasted. Therefore, every projects should be completed as scheduled.

II. MATERIAL AND METHOD

This research has adopted survey method to obtain data necessary for determining the effects of abandonment of projects in plateau state Nigeria. The study population has been limited to professionals such as architects, builders, engineers, quantity surveyors and other related professions that are within the area where the research been conducted. Sixty questionnaires have been administered for the purpose of this study which is a sample required that is reliable, adequate, competent and impartial (Fellow &Lui, 2007). The purpose of sampling according to Fellows and Liu (2008) is to give a practical means of allowing the data collection and processing mechanism of research to be carried out whilst ensuring that the sample provides a good illustration of the population. The two general approaches to sampling adopted in science research are probability and non-probability sampling (Hamed, 2020). Hence, Fellow and Liu (2007) further identified four types of probability sampling techniques. They are simple random sampling, systematic sampling, stratified sampling and cluster sampling technique whereas the non-probability sampling techniques consist of convenience, purposive and quota sampling (Hamed, 2020). Purposive sampling which is also identified as deliberate sampling was adopted for this study (Ibrahim, 2012). The method of collecting primary data can be divided into groups; qualitative and quantitative. The method that was used for this research is quantitative method. The quantitative method of primary data collection involves the use of close ended questionnaire (Chipeta, 2020). The data analysis tool that was employed for this study was the relative importance index (R.I.I). The RII was used to analyzed data obtained for the effects of abandonment of projects in Plateau State, Nigeria; the highest value of RII was ranked 1 and so on. The responses was on likert scale of 1-5, based on their significance where the degree of importance was; 5 = strongly agree; 4 = agree; 3 = undecided; 2 = disagree; 1 = strongly disagree. Descriptive statistics such as simple percentages was used to analyze the background of the respondents, the profile of the respondents, their organization and gender respectively.

III. THE STUDY

The study is aimed at the determination of the effects of abandonment of projects in plateau state, Nigeria. This study can educate the expertise, policy makers as well as the entire public on the effects of abandonment of projects. The research can also serve as a resource base to other researchers who might be interested in carrying out further research in this area. The data collection was restricted to only respondents within Jos metropolis. Therefore, the study has implored experienced professionals to obtain reliable responses. The types of project discussed in these sources are mainly housing or building projects, drainage and

construction projects. This is as a result of greater number of abandoned housing projects and the fact that it has greater immediate effects to the general public (Yap, 2013).

IV. EFFECTS OF ADANDONED PROJECTS

The literature has extensively x-rays the effects of abandonment of projects on the lives of the people in terms of socio-economic as well as environmental implications in Plateau State, Nigeria

The effects of projects abandonment can be categorized into the following: Implications on the prospective users of facilities and other stakeholders involved, implication on the construction industry, national economy and implications on the environment. The environmental effects of project abandonment are one of the risks that need to be taken into consideration by parities' involved in construction. Although this risk might not occur in every project, if it happens, it will have severe negative effects on the projects (Abdul-Rahman, Wang & Ariffin, 2015).

The occurrence of cost overrun can have devastating effects on the construction projects. Mukuku, Aigbavboa and Thwala (2014) opined that to the client an added cost over and above those initially agreed upon at the onset, resulting in less return on investment. To the end user; the added costs are passed on as higher or less costs or prices. To the professionals; cost overrun implies inability to deliver value for money and could well tarnish their reputation and result in loss of confidence response in them by clients. To the contractor, it implies loss of profit for non-completion and defamation that could jeopardize his or her chances of winning further jobs, if at fault. To the industry as a whole, cost overruns could bring about project abandonment and a drop in building activities, bad reputation and inability to secure project finance or securing it at higher cost due to added risks (Mukuka et-al, 2014). The study of identified and ranked the effects of construction delays as follows: time overrun, cost overrun, dispute arbitration, litigation and total abandonment of projects (Pourrostan&Ismail, 2012; Aibinu&Jagboro, 2012; Mac-Barango, 2017). Mukuka et-al (2014) revealed 40 causes of cost overrun with the top ten being the following: cost of materials, incorrect planning, wrong method of estimation, contract management, fluctuation of prices of materials, previous experience of contractor, absence of construction cost data, additional cost and project financing. The abandonment of building projects has specific harmful effects that come alongside with it(Ade-ojo&Babalola, 2013). Whatsoever the causes that might lead to project abandonment, it generally affects the building industry and the financial growth of a nation roughly (Sunitha, ZainalAbidin&Riduan, 2013). The end users suffer in which they are not capable to use facilities.

Vacant and abandoned houses can generate an environment that lowers confidence, discourages investment, and essentially encourages homeowners to abscond the vicinity (Immergluck, 2006).

Buildings will certainly depreciate and might afterward be abandoned as they mature except they are accurately maintained. Moreover, changes in technology and business development might edge out some structures; making the structure out of date and prone to abandonment (Akindele, 2013). Building projects abandonment can cause common health problems in the metropolis such as diarrhea, typhoid fever, malaria and other dirt associated health problem. Such abandoned sites are also vagrant's enchantment, miscreant suitable residence and the hideout where criminals plan their activities, conclude or commit immoral acts in the area. For instance, the existence of abandoned structures has been observed to promote arson and other crimes, waste dump, and property value decline where they are present (Akindele, 2013).

One of the clear effects of project abandonment is the waste of resources as opined by Olapade and Anthony (2012), the misuse of resources here are in the form of capital, material and humans. Furthermore, abandonment of a project tends to encourage prohibited activity which consequently affects the security and comfort of a society (Olapade& Anthony, 2012). Therefore, when projects are abandoned it becomes a sore eye to glance at damaging the artistic visualization of it with an effect on the socio-economic owing to abandoned projects, where it is overwhelming looking at the enormous amount of funds and resources lost on the part of the client who has invested on that particular project. The true principle of the execution of projects is to bring about an encouraging change in the society, empowering the populace, economically and socially. When projects are abandoned, the members of the society are automatically robbed of the anticipated changes and thus leave them worse than they were before the project. Consequently, when projects are abandoned, the effect is felt by the individuals in the society, the society and the government (Hanachor, 2012). Another important effect of abandonment is the declining of the property values and also the declining of the property conditions. The effects identified by Olusegun and Michael (2011) are disappointed of the populace, reduced standard of living, wastage/underutilization of resources, unemployment, decrease in tempo of economic activities, decrease in revenue accruing to government and difficulties in attracting foreign loans. Henachor (2012) noted that the effects of poor project management are felt by the individuals, community and government.

V. ANALYSIS AND DISCUSSION

The analysis and discussion in this section basically discussed the breakdown of the questionnaire administered, Type of Organization of the Respondents, Gender of the Respondents, Profession of the Respondents, level of Educational Qualification of the Respondents, background of the respondents as well

Table 1 Breakdown of administered questionnaires

Number of questionnaire distributed	60.00
Number questionnaire returned	50.00
Percentage response	83.33%

Table 1 shows the number of questionnaire administered to the respondents, sixty were administered and fifty were returned constituting 83.33%. This is important as the response rate is high; constituting high validity and reliability.

Table 2 Type of Organization of the Respondents

Type Of Organization	Frequency	Percentage Response
Federal Government	8.00	18.00%
State Government	25.00	50.00%
Private	17.00	34.00%
Total	50.00	100.00%

Majority of the respondents work with the state government, the data collected indicated that 18.00% of the respondents are federal government workers, 50.00% are state government workers while 34.00 % work with private organization.

Table 3 Gender of the Respondents

Gender	Frequency	Percentage Response
Male	37.00	74.00%
Female	13.00	26.00%
Total	50.00	100.00%

Table 3 shows the gender of the respondents. 74.00% of the respondents are male while 26.00% are female.

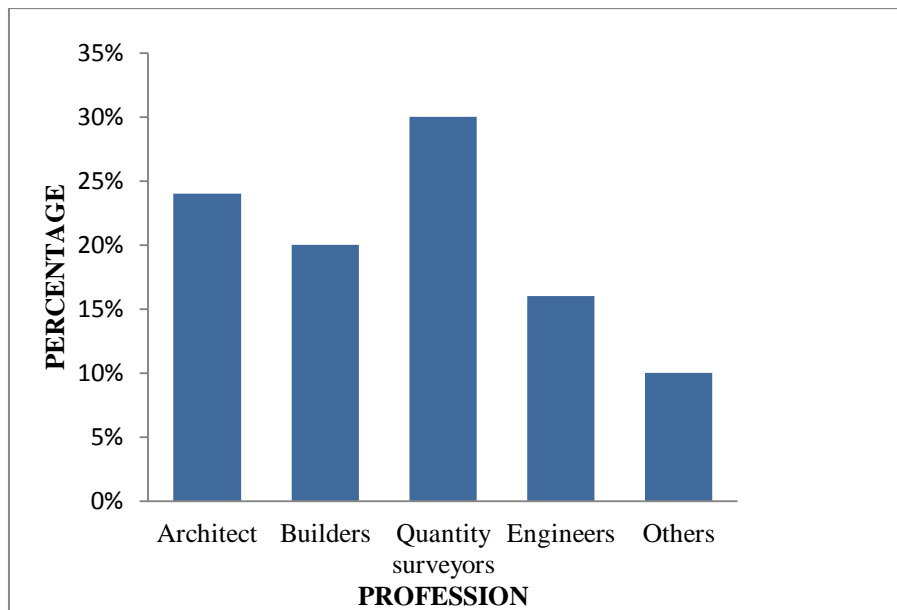


Figure 1 Profession of the Respondents

Figure 1 shows the professions of the respondents; Quantity Surveyors have the highest number of respondents which is 30%, followed by Architects 24%, then Builders 20%, Engineers 16% respectively, other professions aside the ones mentioned have the lowest percentage response of 10%. Therefore, it can be inferred that most of the respondents are Quantity Surveyors, Architects and Builders thereby allowing adequate, sincere and unbiased data collection.

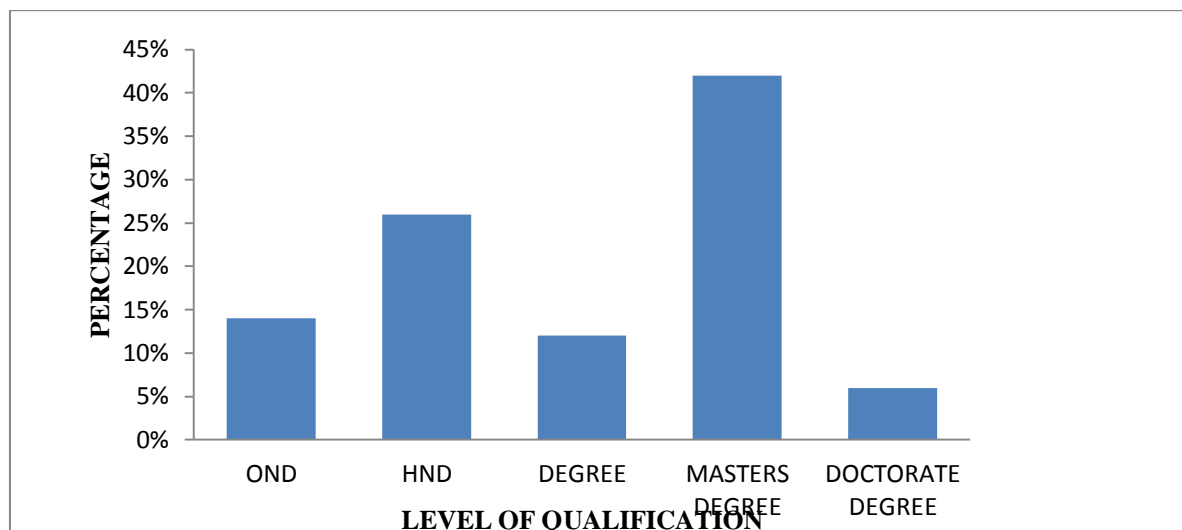


Figure 2 level of Educational Qualification of the Respondents

The academic qualifications of the respondents is indicated in figure 2, the highest percentage of the respondents are Master’s degree holders with 42%, 26% of the respondents have Higher National Diploma (HND), the remaining categories are; 14% Ordinary National Diploma (OND), 12% degree holders, 6% are Doctorate Degree holders (PhD). From the information obtained it can be deduced that the respondents are well read and are capable of providing intelligent and judgmental opinion which will assist in achieving the aim of this research.

Table 4 Effects of Abandonment of Projects in Plateau State

S/N	Effects of Abandonment of Projects in Plateau State	1	2	3	4	5	RII	Percentage	Rank
1	Discourage investment	0	1	1	22	26	0.89	89.00	2 nd
2	Affects economic growth	1	0	5	22	22	0.86	86.00	4 th
3	Wastage of expended resources	0	2	1	23	24	0.88	88.00	3 rd
4	Time overrun	0	2	8	22	18	0.82	82.00	7 th
5	Cost overrun	0	0	0	22	28	0.91	91.00	1 st
6	Affects quality	2	8	0	20	20	0.79	79.00	12 th
7	Increase risk	2	4	3	23	18	0.80	80.00	9 th
8	Technological backwardness	0	3	13	20	13	0.78	78.00	14 th
9	Reduces revenue	0	5	4	28	13	0.79	79.00	12 th
10	Project becomes obsolete	1	4	4	26	15	0.80	80.00	9 th
11	Leads to unemployment	2	2	6	11	29	0.85	85.00	5 th
12	Hide out for criminals	2	3	2	22	21	0.83	83.00	6 th
13	Disappointment to the prospective users	1	4	2	29	14	0.81	81.00	8 th
14	Affects the aesthetics of the built environment	1	4	6	21	18	0.80	80.00	9 th
15	Reduces standard of living	2	9	7	20	12	0.72	72.00	15 th

Table 4 shows the ranking of the effects of abandoned project based on relative importance index, it contains fifteen (15) variables. Cost overrun is ranked 1st with an RII value of (0.91) which indicates a very significant variable. Discourage investment is ranked 2nd with RII value of (0.89), and is also a very significant variable. Wastage of expended resources ranked 3rd with RII value of (0.88). It can be inferred that project abandonment has great effect on cost. Other variables which are also very significant includes, affects economic growth (0.86), leads to unemployment (0.85), hide out for criminals (0.83), time overrun (0.82), disappointment to the prospective users (0.81), increase risk (0.80), project becomes obsolete (0.80), affects the aesthetics of the built environment (0.80), affects quality (0.79), reduces revenue (0.79), technological backwardness (0.78), the

last variable which ranked 15th reduces standard of living with RII value of (0.72) which is also a significant variable.

VI. CONCLUSION

It has been discovered from the research that, project abandonment has at least (15) far-reaching effects on national development. Cost overrun which ranked (1st) is a very significant effect of project abandonment, when projects are abandoned it leads to increase in the initial cost of the project, the final cost of the project exceeds the initial cost of the project as a result of non-completion of projects within the agreed contract period. Abandoned projects from the findings can discourage investment and also leads to wastage of expended resources thereby affecting economic growth of a nation.

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